PUBLIC EMPLOYEES' RETIREMENT SYSTEM TABLE OF CONTENTS

introductory Section	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organization Chart	7
Section Responsibilities and Professional Consultants	8
Public Employees' Retirement Board	S
Financial Section	
Independent Auditors' Report	11
Financial Statements	
Combining Statements of Plan Net Assets	12
Combining Statements of Changes in Plan Net Assets	13
Notes to Combining Financial Statements	
Note 1 - Description	14
Note 2 - Summary of Significant Accounting Policies	17
Note 3 - Investments	19
Note 4 - Pooled Investments	21
Note 5 - Foreign Exchange Contracts and Off-Balance Sheet Risk	25
Note 6 - Retirement Incentive Program	25
Note 7 - Commitments and Contingencies	27
Required Supplementary Information	
Schedule of Funding Progress - Pension Benefits	28
Schedule of Funding Progress - Postemployment Healthcare Benefits Schedule of Employer Contributions - Pension and Postemployment	29
Healthcare Benefits	30
Notes to Required Supplementary Information	
Note 1 - Description of Schedule of Funding Progress	31
Note 2 - Actuarial Assumptions and Methods	31
Additional Information	
Schedule of Administrative and Investment Expenses	34
Schedule of Payments to Consultants Other than Investment Advisors	35
Investment Section	
Message from the Chair	37
Alaska State Pension Investment Board	38
Staff and External Money Managers and Consultants	40
Investment Report	42
Schedule of Investment Results	46
Actual Asset Allocation	47
Top Ten Holdings by Asset Type	48
Schedule of Investment Management Fees	49
Investment Summary Schedule	51
Credit Risk of Investments	52
Recaptured Commission Fees Received in FY00	53

Actuarial Section	
Actuarial Certification	55
Summary of Actuarial Assumptions and Methods	58
Schedule of Active Member Valuation Data	64
Schedule of Retirants and Beneficiaries Added to and Removed from Rolls	65
Solvency Test	66
Analysis of Financial Experience	66
Summary of Plan Provisions	67
Statistical Section	
System Membership by Status	73
Graph—10-Year Comparison of Active and Retired Members	73
Revenues by Source	74
Graph—10-Year Comparison of Revenues by Source	74
Expenses by Type	75
Graph—10-Year Comparison of Expenses by Type	75
Graph—10-Year Comparison of Valuation Assets and Accrued Liabilities	76
Graph—10-Year Comparison of Revenues and Expenses	76
Schedule of Benefit Expenses by Type	77
Graph—20-Year Comparison of Retiree Monthly Health Insurance Premiums	77
Schedule of Retired Members by Type of Retirant and Option Selected	78
Schedule of Average Benefit Payments—New Retirees	79
Participating Employers	80